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Selected Speeches and News Releases

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Statement

U.S. Department of Agriculture • Office of Information

Prepared for delivery by Dr. Charles E. Hess, Assistant Secretary of Agriculture for Science and Education on The National Research Council's Report on Alternative Agriculture, Sept. 7.

American agriculture is facing major challenges, some of which may appear to be in conflict. On one hand, agriculture needs to be highly efficient and internationally competitive in order to be economically viable. On the other hand, it needs a system of production which is environmentally sensitive, sustainable, and whose products are viewed as safe. I believe both goals are achievable.

The National Research Council Report on Alternative Agriculture is designed to help accelerate the achievement of these goals by defining the challenge, presenting the case studies of the successful application of alternative agriculture practices, and recommending a course of action.

The U.S. Department of Agriculture is deeply interested in the findings of the study and the light they might shed on the future for American farmers, the Nation's natural resources, environmental quality, and the well-being of rural communities. USDA is pleased to have been one of the sponsors of this study.

Many of the Nation's farmers have experienced financial stress in the 80's due to the downturn in exports of farm products, commodity prices, and land values. Also, farmers are under increased pressure to reduce non-point pollution from fertilizers and pesticides and reduce erosion. A major objective of alternative farming systems is to reduce the use of purchased inputs, primarily chemicals, while maintaining productivity. If the net cash returns to the farmer can be increased through decreased production costs, the competitive position of the farmer will be improved and the potential for adverse environmental impacts will decrease.

The widespread awareness of the need for economical and environmentally sound ways to farm has not been matched by the availability of reliable and practical information on what, in fact, can be done. The USDA/land grant research and education system has struggled to meet that challenge, some say too slowly, while others are convinced

that we have the necessary pieces and now need the time to fit them together.

It is that environment of need and uncertainty that has spawned the development of new ideas and approaches—everything from integrated pest management to the application of biotechnology. During the past year, public and farmer concerns over deteriorating water quality have led to a Presidential Water Quality Initiative, assigning USDA a lead role in putting in place a system that will accurately assess the precise nature of the relationship between agricultural activities and ground water quality, and develop and facilitate the adoption of production management strategies which will prevent ground water contamination.

This past July, R. Dean Plowman, administrator of USDA's Agricultural Research Service, and I participated in the dedication of a new \$11.9 million Soil Tilth Laboratory on the Iowa State University campus. This laboratory will study the effects of a variety of agricultural practices upon soil structure, organic matter, microorganisms, and movement of nutrients. Some experiments will involve the Thompson Farm included in the National Research Council study.

Faced by the confluence of mounting economic and environmental pressures in agriculture, Congress wrote into the 1985 Food Security Act the charter for what is now called the Low-Input Sustainable Agriculture (LISA) Research and Education Program. The purpose of the LISA program is to strengthen and speed up the development and the dissemination to farmers of reliable, practical information on environmentally and economically sustainable farming practices. It recognizes that there is no magic formula and that the "best" set of practices will vary from farm to farm.

The Agriculture Department soon underscored the rationale for LISA research and education in a Secretary's Memorandum on alternative farming systems issued in early 1988. It said simply that farmers need to have more choices that are not only profitable, but which will enable them to effectively reduce their dependence on agricultural chemicals and thereby minimize the environmental risks of farming. Signed by then Secretary Richard Lyng, that policy is endorsed today by Secretary Clayton Yeutter.

Whatever we call it—alternative, sustainable, or low-input agriculture—we can see now a direction that, I believe, makes remarkable sense for farmers and the rest of our society. That direction does not involve trying to tell farmers how to farm, but gives them the

information they need to choose their practices wisely. The farmer must decide. If limited, wise use of purchased chemical fertilizers and pesticides is the only realistic option, and that use brings minimal risks, so be it. If organic farming—growing food without any of those chemicals—is the best alternative, fine. The point is simple. We can't profess to give farmers choices and then say we oppose one choice or another.

It is in that spirit of openness and willingness to change for the better that we will all study thoughtfully the National Research Council report. It comes at a critical time. Its significance could be unparalleled.

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News Releases

U.S. Department of Agriculture • Office of Information

ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, Sept. 7—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Sept. 8, through midnight Thursday, Sept. 14.

Since the adjusted world price (AWP) is above the 1987, 1988 and 1989 crop base quality loan rates of 52.25, 51.80 and 50.00 cents per pound, respectively, the loan repayment rates for the 1987, 1988 and 1989 crops of upland cotton during this period are equal to the respective loan rates for the specific quality and location.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. Because the AWP in effect is above the established loan rate, loan deficiency payments are not available for 1989-crop upland cotton sold during this period.

Based on data for the week ending Sept. 7, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Chart on next page

Adjusted World Price	
Northern Europe Price	81.60
Adjustments:	
Average U.S. spot market location	12.13
SLM 1-1/16 inch cotton	2.20
Average U.S. location	0.39
Sum of Adjustments	<u>-14.72</u>
ADJUSTED WORLD PRICE	66.88 cents/lb.

Coarse Count Adjustment	
Northern Europe Price	81.60
Northern Europe Coarse Count Price	<u>-77.05</u>
	4.55
Adjustment to SLM 1-inch cotton	<u>-4.75</u>
	-0.20

COARSE COUNT ADJUSTMENT 0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on Sept. 14.

Charles Cunningham (202) 447-7954

#

EXTENSION COMPLETES PESTICIDES HANDBOOK

WASHINGTON, Sept. 8—Assistant Secretary of Agriculture for Science and Education Charles E. Hess today announced the publication of EXTOXNET (Extension Toxicology Network), a compendium of fact sheets written to provide farmers and other pesticide users with a single source of basic information on the 100 most commonly used pesticides in the United States.

"EXTOXNET was designed to enable farmers and homeowners who use pesticides to have access to information on them readily available in one place," Hess said. Reference copies of EXTOXNET will be available at every land grant university by Oct. 1, and at offices of county extension agents at a later date as copies become available.

Hess said this type of material has not been available before in a format as convenient and easy to understand.

EXTOXNET was prepared by Cooperative Extension Service offices of Cornell University, the University of California, Michigan State

University and Oregon State University. Funding for the project was provided by these four universities, the Environmental Protection Agency and the U.S. Department of Agriculture's Extension Service.

The looseleaf publication is divided into two sections of fact sheets: Pesticide Information Profiles, which focus on the health and environmental effects of specific pesticides, and Toxicology Information Briefs, which describe issues related to pesticides such as carcinogenicity, ecological effects, and epidemiology. The looseleaf format will make the publication easy to update, Hess said.

For information on purchasing copies of EXTOXNET either in paper or magnetic disk format, contact Carol Doolittle, Distribution Center, Building 8, Research Park, Cornell University, Ithaca, N.Y. 14853; telephone (607) 255-7660.

Judith A. Bowers (202) 447-4241

#

COTTON IN 30-INCH ROWS BOOSTS YIELD AND QUALITY SOONER

WASHINGTON—Growing cotton in narrower rows 30 inches wide can produce an average 15-percent higher yield and let growers harvest cotton six to seven days earlier, a U.S. Department of Agriculture scientist reported today.

At the same time, the quality of cotton from 30-inch rows is higher compared to that grown in traditional 40-inch rows, said Marvin D. Heilman, a soil scientist with USDA's Agricultural Research Service.

He said a 1988 check of bale quality from agency plots found that 94 percent of the 30-inch cotton had grades of middling to strict low middling or better compared to 80 percent for 40-inch row cotton. Middling and strict low middling are grading terms given to premium-grade cotton.

"Although the rows are narrower, we're giving the plants more space within each row," he said. "That means there's no more than a 10-percent increase in plant population, but we're getting 25 percent more row length than with 40-inch rows. That's one factor that has improved our yield."

The narrower rows also raise the possibility of reduced herbicide use. According to L.N. Namken, research leader on the project, ground cover

and shading occur earlier in the season with 30-inch rows, helping to suppress weeds before they take hold. He and Heilman both work at the agency's Subtropical Agricultural Research Laboratory in Weslaco, Texas.

"Besides the potential for reduced herbicide use during the growing season, stalk destruction and deep plowing after early harvest eliminate food, shelter and reproductive sites for overwintering boll weevils," Namken said. "That means a reduced need for insecticides the following growing season."

Namken noted that cotton is one of the last major row crops in the U.S. still planted entirely in 40-inch rows.

"Corn, grain sorghum, soybeans—they've all gone to 30 inches," he said. "One of the reasons cotton has lagged behind is because there hasn't been a good method of mechanically harvesting 30-inch row cotton. But that may be changing."

Harvesters have been developed that can harvest 30-inch or 40-inch rows, Namken said. The commercially-built harvesters, tested on ARS cotton fields near Weslaco last month, can spindle pick up to five 30-inch rows or four 40-inch rows at a time. Up to now, a modified straddle-type harvester was often used that picked two rows at a time.

"The fact that 30-inch row cotton shortens the season is important. It can allow us to avoid some of the weather hazards associated with August-September tropical storms that can play havoc with both yield and lint quality," Heilman said. It also can reduce insecticide usage, he said.

Tests over a five-year period found 8- to 25-percent yield increases in 30-inch row cotton. Maturity was consistently earlier, he said, possibly due to greater uniformity of the plants and shorter branches.

Last year, 12.5 million acres were planted in cotton in the U.S., up 20.1 percent from 1987. Namken said growers produced about 14 million 500- pound bales. California is the leading cotton-producing state in total cash value, followed by Texas, Mississippi, Arizona and Louisiana.

"California and Texas have been the most aggressive at moving to 30-inch row cotton," he said. "We anticipate that this technology may move rapidly into other cotton producing areas as harvesting capabilities become available."

Farmers can get a payoff from 30-inch rows, the researchers said, if they look at the narrower plantings as part of an overall cotton producing system. That includes considering the plant type, the amount and timing of nitrogen fertilizer applied to fields, insect and weed controls, and other factors.

Matt Bosisio (309) 685-4011

#

NATURE COMES TO THE RESCUE AGAINST CHOLESTEROL OXIDES

WASHINGTON, Sept. 11.—The human body's own digestive juices appear to provide a defense against potentially carcinogenic compounds produced from cholesterol in cooking and food processing, a U.S. Department of Agriculture scientist has found.

When cholesterol comes in contact with oxygen at high temperatures, such as during frying, a small part of it is transformed into compounds called cholesterol oxides.

Among approximately 80 known oxides, the alpha-epoxide and betaepoxide are reported to be carcinogenic in animal experiments. But Gerhard Maerker of USDA's Agricultural Research Service says the human body seems to defend itself against the two epoxides.

He found, in one part of a five-year study, that when the epoxides are eaten, the body's gastric juices transform the alpha-epoxide and betaepoxide into other compounds that are non-carcinogenic.

"We made up synthetic gastric juices, put them in a flask with the epoxides and took samples every few minutes," he said. "We found the epoxides aren't really as scary as we thought."

"They don't survive the acidity of the stomach. Gastric juices break the epoxides into an oxide called triol."

Maerker emphasized that his research on epoxides and gastric juices needs further study by other scientists. He found the natural defense while pursuing his main research into understanding why and how cholesterol oxidizes.

"Like other fats, cholesterol oxidizes in food during processing, and some of these oxides have been reported to be injurious to human health," he said.

In his study, conducted at the ARS Eastern Regional Research Center at Philadelphia, Pa., Maerker added pure cholesterol to water and pumped air into the mixture to bring the cholesterol in contact with oxygen, producing the oxides.

"We learned more about which compounds come first and which come later," Maerker said. "The hydroperoxides are the first to appear; they come and go, and form other compounds, including the epoxides."

Maerker's study revealed that cholesterol oxides may eventually help food inspectors find out more about the foods they're checking. Food processors also might use the findings to limit oxides in their products.

Sandy Miller Hays (301) 344-4089

#

1988 RURAL POPULATION AT 65 MILLION; FARM POPULATION STABILIZES AT 5 MILLION

WASHINGTON, Sept. 14—About 64,798,000 people, or 25 percent of the U.S. population, lived in rural areas in 1988 while about 4,951,000 rural residents, 2 percent of the nation's total, lived on farms, according to a report released today by the U.S. Commerce Department's Census Bureau and the U.S. Department of Agriculture's Economic Research Service.

Rural areas include the open countryside and places with under 2,500 residents that are not in the suburbs of large cities, as defined in 1980. The farm population consists of people living on farms in rural areas; it does not include the relatively few farms in urban areas. Farms are places that sold at least \$1,000 in agricultural products during the preceding year.

The population has grown faster in rural areas than in urban areas since 1986. However, some of this growth will appear as urban growth in 1990 as increased population will cause some rural areas to be reclassified as urban in the 1990 Census.

The 1988 farm population estimate does not differ much from the 1987 estimate. This lack of change may reflect a leveling off in the long-term decline in farm residents. But, more than one year of stability would be needed to confirm this as a pattern.

The largest share of the rural population (44 percent) lives in the South. Although the regional distribution of the rural population changed only slightly in the last 40 years, the regional concentration of the farm population shifted markedly. In 1950, a third of all farm residents lived in the Midwest, while slightly more than half lived in the South. A rapid decline in the southern farm population, rather than growth in the Midwest's farm population, reversed the regional rankings. Half of the total farm population now lives in the Midwest, and less than a third lives in the South.

The farm population is older than the rest of the population as a whole. Farm residents' median age of 38 years in 1988 compares with 33.1 years for the total rural population and 32.1 years for the urban population.

About 3.3 million people held farm occupations in 1988. About 40 percent of these workers were farm operators and managers; the rest were farmworkers and in related occupations. About 90 percent of the farm operators and managers lived in rural areas; 69 percent lived on farms. About half of farmworkers and workers in related occupations lived in rural areas; about 17 percent lived on farms.

Most of these data, obtained from the Census Bureau's 1988 Current Population Survey, came from a sample and are subject to sampling variability and other sources of error.

—Regional shares of the rural and rural farm population—

	Rural residents		Farm residents	
	1988	1950	1988	1950
			Percent	
Northeast	16.6	14.9	5.2	7.8
Midwest	27.2	29.4	50.6	32.3
South	43.6	44.7	29.6	51.6
West	12.6	10.9	14.6	8.4

More information on the size, distribution, social, and economic characteristics of rural and rural farm residents is available in *Rural and Rural Farm Population: 1988*, Census Bureau report series P-20, no. 439, released today. Copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. For additional information contact: Judith Kalbacher, telephone (202) 786-1524 or Calvin Beale (202) 786-1534.

Mary Maher (202) 786-1512

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USDA ANNOUNCES INCREASE OF 1989 IMPORT QUOTA AND CHANGE IN QUOTA PERIOD

WASHINGTON, Sept. 12—Secretary of Agriculture Clayton Yeutter today announced that the import quota for sugar is increased by just over 860,000 metric tons (about 950,000 short tons), from 1,125,255 metric tons, raw value, to 1,986,950 metric tons, raw value. He also announced that the 1989 quota period is extended by 9 months from the period Jan. 1, 1989, through Dec. 31, 1989, to the period Jan. 1, 1989, through Sept. 30, 1990. He said "this change puts quota shipments for the new 21-month quota period at a somewhat higher level on a 12-month equivalent basis than the previously announced quota of 1,125,255 metric tons.

The total authorized quota shipments of 1,986,950 metric tons is equal to about 2,190,235 short tons, raw value. Total authorized quota shipments are equal to the sum of the specialty sugar quota (1,815 metric tons), the minimum quota allocations, the quota adjustment amount (94,117 metric tons), and the base import quota (1,860,000 metric tons) minus certain adjustments in the base import quota.

In making the announcement, Yeutter noted that the change in the quota was an action independent of the recent panel finding that found import quotas to be inconsistent with the GATT. He said "we are continuing to look at the options for bringing these quotas into conformity with the GATT, but a decision on how to do this has not been made. In the interim, this modification of the import quota and the quota period is necessary to correct for a tightness in our sugar market, particularly during the last quarter of this calendar year."

Shipping patterns are being adjusted to assure that 135,000 metric tons (150,000 short tons) of the increase in the quota are allowed to enter during the October-December 1989 quarter. He said "we will continue to monitor on a day-to-day basis whether additional modifications in the quota are necessary."

The new country-by-country quota allocations were announced today by U.S. Trade Representative Carla Hills. These allocations include a reallocation of Panama's initial quota of 30,537 metric tons and leave 23,403 metric tons of the new Panamanian quota unallocated and not yet authorized for shipment to the United States. The allocations are as follows (in metric tons, raw value) for the period Jan. 1, 1989 through Sept. 30, 1990:

Argentina	81,366	Australia	157,056
Barbados	13,246	Belize	20,815
Bolivia	15,138	Brazil	274,375
Canada	20,815	Colombia	45,414
Congo.....	12,500	Costa Rica	38,468.5
Dominican Republic ...	333,035	Ecuador	20,815
El Salvador	55,248.7	Fiji	16,966
Gabon.....	12,500	Guatemala	90,828
Guyana	22,707	Haiti	12,500
Honduras	36,401.8	India	15,138
Cote D'Ivoire	12,500	Jamaica	20,815
Madagascar	12,500	Malawi	18,826
Mauritius	22,675	Mexico	12,500
Mozambique	24,599	Panama	(23,403)*
Papua New Guinea	12,500	Paraguay	12,500
Peru	77,582	Philippines	298,975
St. Kitts and Nevis	12,500	Swaziland	30,276
Taiwan	22,707	Thailand	26,491
Trinidad-Tobago	13,246	Uruguay	12,500
Zimbabwe	22,707		

* Panama's remaining allocation of 23,403 metric tons is not allowed to be shipped at this time. It may subsequently be allocated to other countries, as was done in 1988 and as has just been done for their initial quota allocation of 30,537 metric tons, raw value.

Kelly Shipp (202) 447-4623

#

FOREST SERVICE TO RESEARCH EFFECTS OF CLIMATE CHANGE ON FORESTS

WASHINGTON, Sept. 12—The effects of possible climate changes and air pollution on the nation's forests and ranges will be the focus of a new 10-year research program to be conducted by the U.S. Department of Agriculture's Forest Service.

The research program, called Forest Health, Productivity, and Diversity in a Changing Atmospheric Environment, is a component of the administration's comprehensive U.S. Global Change Research Program recently released by the White House, according to Forest Service Chief F. Dale Robertson.

The Forest Service program includes more than the national program. The agency will take a leadership role in research to develop limitation and mitigation technologies for forests and rangelands, as well as the development of adaptive management strategies.

"The Forest Service operates the largest forestry research program in the world," Chief Robertson said. "We will be expanding this research to give emphasis to the important environmental issue of global change."

The objectives of the Forest Service program are to provide the scientific basis to understand and address the effects of physical and chemical atmospheric changes on forests, rangelands and related ecosystems.

The program will focus on determining ecosystem processes sensitive to physical and chemical atmospheric changes; determining how such future changes will influence the structure, health, function, and productivity of forests; and identifying implications of climate change on future forest management. The program will concentrate on determining the effects of multiple stresses on the ecosystem.

Copies of the program plan and further information can be obtained from the USDA Forest Service, Forest Fire and Atmospheric Sciences, P.O. Box 96090, Washington, D.C. 20090-6090.

Diane Hitchings (202) 447-3772

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1988 CROP CORN, SORGHUM PRODUCERS TO RECEIVE 12-MONTH 0/92 PAYMENTS

WASHINGTON, Sept. 12—The U.S. Department of Agriculture's Commodity Credit Corporation will make about \$107 million in 0/92 program payments to eligible 1988 crop corn and sorghum producers, according to CCC Executive Vice President Keith Bjerke. These payments will be made in commodity certificates after Oct. 1 by USDA's Agricultural Stabilization and Conservation Service county offices.

Eligible corn and sorghum producers in the 0/92 program are assured the emergency compensation or 12-month "Findley" minimum payment rates shown in the following table:

	Corn	Sorghum
---dollars per bushel---		
5-Month Minimum Payment Rate	0.72	0.68
12-Month Minimum Payment Rate	0.38	0.40
Total Minimum Payment Rates	1.10	1.08

CCC estimates payments to producers will be approximately \$87 million for corn and \$20 million for sorghum.

Eligible corn and sorghum producers received the five-month minimum 0/92 program payments with the deficiency payments made after the first five months of the corn and sorghum crop year, Sept. 1, 1988, through Jan. 31, 1989.

Robert Feist (202) 447-6789

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PEANUTS MAY GET STRONGER DEFENSE AGAINST TOXIN

MIAMI, Sept. 13—Peanut kernels that stay moist before harvest have been found by U.S. Department of Agriculture scientists to reject aflatoxin.

Kernel moisture is linked to a peanut's ability to produce natural chemicals, called phytoalexins, that prevent fungi from making aflatoxin, Joe W. Dorner of USDA's Agricultural Research Service said today at the American Chemical Society's annual meeting in Miami Beach, Fla.

"We have found that there is a connection between moisture inside a peanut kernel and phytoalexin production," said Dorner, a microbiologist with ARS' National Peanut Research Laboratory in Dawson, Ga. "We are trying to extend the life of this natural defense in peanuts, even under drought stress."

Dorner and his colleagues at Dawson are planning to look at different peanut varieties for ways to make peanuts produce phytoalexins in drought situations. He said researchers are trying to find peanut varieties that retain enough moisture for phytoalexin production.

The research at Dawson is one of 15 ARS projects nationwide to control or eliminate aflatoxin, which is made by the fungi *Aspergillus flavus* and *A. parasiticus*. Aflatoxin is a natural poison that has been found carcinogenic in some laboratory animals. Allowable concentrations of aflatoxin are set by guidelines of the Food and Drug Administration.

Peanuts are susceptible to aflatoxin contamination during a drought. Dorner said aflatoxin-producing fungi are able to tolerate stress created by high temperatures and low moisture. Once a peanut kernel's moisture level drops to 20-25 percent, the fungi can make aflatoxin and face no natural resistance.

Dorner said studies at Dawson have shown that irrigated peanuts maintain the natural defense system. That's because the peanut kernel keeps a moisture content of about 35 to 40 percent. But non-irrigated peanuts that don't receive adequate rainfall can expect to lose phytoalexin production after about 25 to 30 days of drought stress, he said.

High soil temperatures accompanied by drought cut phytoalexin production even sooner, Dorner said.

Immature peanuts rely more on this natural defense system, he said. Scientists are not sure why mature peanuts are more resistant to contamination by aflatoxin-producing fungi than immature peanuts.

Several major peanut varieties are grown for commercial use, Dorner said. However, varieties that are not considered desirable by the \$3 billion per year peanut industry may hold genetic traits needed to extend phytoalexin production.

"If there is a genotype out there that has the genetic ability to produce phytoalexins longer, that could be useful." Dorner said. "Even with peanuts that aren't desirable, those characteristics could be incorporated into desirable varieties without detrimental effects."

Bruce Kinzel (301) 344-2739

#

YEUTTER ANNOUNCES CHANGES IN 1990 WHEAT PROGRAM

WASHINGTON, Sept. 13—Secretary of Agriculture Clayton Yeutter announced today his intention to offer producers the option to modify their 1990 wheat program contracts.

"This action is necessary to maintain our humanitarian food aid commitments while adding slightly to U.S. carryover supplies following two consecutive years of drought," Yeutter said. The U.S. Department of Agriculture requested and received Presidential authority to use 1.5 million metric tons for fiscal year 1990 from the Food Security Wheat Reserve to meet U.S. international food aid commitments.

"The action today does not suggest that we expect another year of less than average wheat yields, nor will it boost stocks significantly," Yeutter said. "But it will help restore stocks to safer levels. In view of the tight U.S. and world supply and demand situation we should give wheat producers the option to increase plantings if they wish to do so."

Producers will continue to have the option of signing up for and complying with requirements of the 1990 wheat program as announced May 31, and the common program provision requirements announced Aug. 7. These requirements include a 5 percent acreage reduction program and limited cross compliance.

This change will give producers the opportunity to modify their original contracts to allow them to plant more than 95 percent of a farm's wheat base. For each acre producers plant above 95 percent of the wheat base, the acreage used in determining the producer's deficiency payment will decrease by one acre.

To remain eligible for these reduced deficiency payments, producers may not plant more than 105 percent of their wheat base. Overall income of wheat farmers is expected to increase slightly as a result of these modifications.

The original program announcements provided the following:

- A 5 percent acreage reduction program (ARP).
- A target price of \$4 a bushel.
- A price support loan and purchase rate of \$1.95 a bushel.
- Limited cross-compliance provisions.
- Advance deficiency payments at 40 percent of the estimated deficiency payment rate.

These provisions will remain applicable to all producers who enroll in the 1990 wheat program. For those producers who elect to modify their contracts, the following provisions will also be in effect:

- Modified ARP.
- Producers may plant wheat in excess of 95 percent of a farm's wheat base, but in no event more than 105 percent of the base.
- There will be no acreage conservation reserve requirement for wheat for that farm.
- For each acre of wheat planted in excess of 95 percent of the wheat base, the acreage used in determining deficiency payments will be reduced by one acre. The minimum acreage for payment will be 85 percent of the farm's wheat base if the producer plants the maximum acreage of 105 percent of the base.
- Producers may not build future wheat base acreage on the farm. The planted and considered planted wheat acreage for 1990 may not exceed the 1990 wheat base.
- If wheat plantings in excess of the wheat base cause plantings of other program crops to fall below the permitted acreages established for the other crops, the excess wheat acreage will be considered as planted to the other program crop.
- The 0/92 provision of the 1990 wheat program, the soybean and sunflower replacement option and the transfer of wheat base to oats base are not applicable and producers may not credit other nonprogram crop acreage as acreage considered planted to wheat.

Based on current USDA estimates due to this change, harvested wheat acres are estimated to rise to 69.6 million acres from 67.5, resulting in an expected 2,596 million bushels of wheat compared to 2,530 million bushels.

Producers may obtain further details from their local Agricultural Stabilization and Conservation Service office.

Kelly Shipp (202) 447-4623

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